

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE HEARING EXAMINER
FOR THE CITY OF SEATTLE

In the Matter of the Appeal of:
SEATTLE MOBILITY COALITION
From a Decision by the Seattle City Council
Central Staff

Hearing Examiner No. W-23-001
DECLARATION OF BENJAMIN MARITZ

I, Benjamin Maritz, declare as follows:

1. I competent to testify and make this declaration based on my personal knowledge.
2. I am the Managing Member of Great Expectations LLC. Great Expectations is a privately funded housing developer that acquires and develops multifamily housing and then leases it at affordable rates. I founded Great Expectations in 2019 after a career in management consulting because of my passion for finding data-driven, market-based solutions to the Pacific Northwest’s housing issues, including homelessness. Today, Great Expectations owns and operates approximately 600 privately-funded affordable housing units and has a development pipeline of approximately 600 more units in the urban centers of the Pacific Northwest. As of the end of 2022, on average our existing units were affordable to households earning between 50% to 60% of the area median income (“AMI”) for the county in which they are located.

1 3. Approximately 400 of Great Expectations’ housing units are located in the City of
2 Seattle (“City”). We also have projects in the development pipeline that would provide about
3 500 additional affordable units in the City. Beyond this, Great Expectations owns a number of
4 properties in Seattle that it hopes to develop into affordable housing in the future.

5
6 4. Because Great Expectations relies entirely on private financing for our
7 acquisitions and development projects, our provision of affordable units depends on our ability to
8 earn an economic return while charging below-market rents. Even in the relatively short time of
9 Great Expectations’ existence, development costs have increased so that we can no longer
10 develop projects that provide the same affordability levels as in our earlier projects. This is due
11 to the cumulative effect of many separate cost increases. These increases include the City-wide
12 adoption of MHA fees, and increases in those fees over time, which adds to the cost of
13 development. Another change is the adoption of the 2018 Seattle Energy Code, which became
14 effective in 2021. The requirements of this code update also add to the cost of development. In
15 addition, interest rates have increased steadily. There are other, smaller cost increases (such as,
16 for example, the increased cost for right of way permits for construction staging) that aggregate
17 with these other more substantial cost increases. These factors combine to make it more difficult
18 to produce privately-funded affordable housing. Based on the cost of development in Seattle
19 today, we are hard pressed to provide units that are affordable even to households earning 80%
20 AMI. The margin for viability of our projects is small, and even what might appear to be a small
21 per-unit cost can render a project infeasible.
22
23
24

25 5. I am familiar with the City’s proposal to adopt Comprehensive Plan amendments
26 requiring the adoption of a transportation impact fee program in Seattle (“Proposal”). If
27 transportation impact fees are imposed at the rates shown in the Transportation Impact Fee Rate
28

1 Study (January 2023), the transportation impact fee will impose costs on development that, in
2 combination with other cost increases, will significantly reduce or eliminate our ability provide
3 affordable housing in the City. This will result in the loss of affordable housing units we
4 produce as well as the Mandatory Housing Affordability (“MHA”) fees that our projects pay to
5 the City and which, in turn, fund other affordable housing projects that rely on government
6 funding. While the Proposal states that affordable housing may be exempted from the fees, it
7 does not guarantee this exemption, particularly for privately-funded projects such as ours. In
8 addition, even if an exemption is provided, it may only be a partial exemption.
9

10 6. For example, we currently have a project located at 2100 E Denny Ave in the City
11 that would provide 50 privately-funded affordable housing units. The project would also pay
12 \$500,000 in MHA fees to the City to be used to fund the development of other affordable
13 housing that is wholly or partially government funded. The Master Use Permit (“MUP”) for the
14 project is currently under review. With the costs described previously, the project is on the edge
15 of viability. If transportation impact fees are imposed on the project at the rates shown in the
16 Transportation Impact Fee Rate Study (January 2023), the transportation impact fee will be
17 approximately \$431,000 dollars for the residential units (\$8,629.87 per dwelling unit in a Low
18 Rise development in an Urban Village). Additional transportation impact fees will be required
19 for the ground floor commercial space. These fees will render the project economically
20 infeasible and it will not be constructed. The 50 affordable housing units will not be constructed
21 and the \$500,000 dollars in MHA fees will not be paid to the City.
22
23
24

25 7. I have reviewed the Determination of Nonsignificance (“DNS”) for the Proposal.
26 The DNS does not include analysis of the impacts of the Proposal on affordable housing
27 production or the reduction in affordable housing funding in the form of MHA fees. This
28

1 analysis should be provided so that decision makers are fully informed about the consequences
2 of the Proposal. The analysis should be based on the regulatory and economic realities that exist
3 today.

4 I declare under penalty of perjury that the foregoing is true and correct. Executed this 1st
5 day of May, 2023, at Seattle, Washington.

6 
7 _____
8 Benjamin Maritz